

Audit and Standards Committee

18th March 2021

Progress Update on the MCA's Response to the Bus Review

Purpose of Report

This report provides the Audit and Standards Committee with an update on the 7-point plan that was agreed by the MCA in response to the Bus Review.

Thematic Priority

Secure investment in infrastructure where it will do most to support growth

Freedom of Information and Schedule 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

This report is for discussion at the Audit and Standards Committee meeting.

1. Introduction

1.1 The Bus Review, chaired by Clive Betts MP, concluded in March 2020 and made a series of ambitious recommendations for reform of the bus network in South Yorkshire. Due to the broad nature of the recommendations, the MCA decided not to respond in turn to each of the individual recommendations. Instead they agreed a high-level response to the review in July 2020; a set of 6 principles that formed the basis of a 7-point plan. See Annex A for a further information and a progress update on the principles and 7-point plan.

2. Consideration

Progress

2.1 Over the last 12 months, the bus network in South Yorkshire has experienced seismic disruption caused by the impact of social distancing and lockdown measures mandated by Government in response to the COVID-19 pandemic. The operating environment has been challenging due to a large reduction in demand and on-board capacity, resulting in a sharp decline in operator revenue. Despite MCA plans to adopt an accelerated timescale for delivering the 7-point plan, this has been hindered by the pandemic as resource has been diverted away from bus improvement work and into network stabilisation.

2.2 Progress has still been made despite the challenging context and over the last 12 months we have continued to implement the 7-point plan. The MCA remains committed to improving the bus system in South Yorkshire and have invested c.£17m over the last 12 months to support operators as well as allocating c.£7m for the future protection of priority services. Most notably progress includes:

- **Preparation for integration of the SYPTE** – all new recruitment is now made under the employment of the MCA; a single Director of Finance has been appointed to oversee integrated business planning and budget setting; and plans are in place to ensure constitutional changes to formally embed the integration by June 2021.
- **Changes in SYPTE governance** – SYPTE now report to the Transport and Environment Board chaired by Cllr Chris Read. Formal changes to governance will take place pending the completion of the legislative process.
- **Refreshing each of the 4 local authority partnerships** – directly linked to future recovery funding. The refresh will ensure that in the short term they are positioned to deliver recovery plans and implement service improvements.
- **System analysis commissioned** – which will set the principles to shape a future South Yorkshire bus network, set out where customer focussed quality improvements are required and develop a roll out plan for zero emission buses, to meet the MCA's net zero commitments. The outcomes of the analysis work will be used to inform bus recovery and improvement plans.

Future

2.3 Looking ahead, the anticipated National Bus Strategy from Government will be critical to informing the MCA's future bus recovery and improvement strategy. Furthermore, the Committee will wish to note that it is possible that Government's bus recovery funding (which will follow the current emergency support grant) may require the MCA's commitment to explore statutory changes to the bus operating model. A paper is being prepared seeking the MCA's views.

2.4 Finally, to deliver the MCA's ambitious programme of work and respond to any work arising as a result of the National Bus Strategy, the following additional resource has been put in place:

- **Senior Programme Director** who will be solely focused on leading and implementing existing and future recovery and improvement plans such as those that fall out of the National Bus Strategy
- **Programme Manager** to oversee, coordinate and monitor activity across different teams
- **Dedicated multi-disciplinary project team** drawn from SYPTE and the MCA to deliver the different strands of work arising from both the Bus Review response and the National Bus Strategy
- **MCA Executive Senior Management oversight** to ensure internal leadership, ownership and continuity

3. Implications

3.1 Financial

Budget has already been allocated to cover the recruitment of the Senior Programme Director, who will in turn identify additional resource needs.

3.2 Legal

Legal advice will need to be taken when we understand more about the National Bus Strategy and the possible conditions associated with receiving the recovery funding.

3.3 Risk Management

All significant risks concerning finance, pandemic response and changes to regulatory environment are captured and monitored in the strategic risk register. Specifically:

Risk #3 in the Strategy Focus risk category

'Failure to respond effectively, as a Group, to the challenges brought about by the pandemic, for the public transport network and services for which the MCA Group are responsible could mean that transport ambitions for the region are not realised.'

Risk #5 in the Budget and Financial Management risk category

'Systemic loss of commercial viability in the South Yorkshire transport network due to patronage reductions, leading to pressure for greater public subsidy.'

Risk #4 in the Programme Management risk category

'Scale and complexity of work to implement the Bus Review 7 Point Plan, requiring expertise and resources beyond those that are available could mean a failure to effect the desired changes and deliver the desired SY transport network.'

Risk#3 in the Governance and Compliance risk category

'Failure to effectively identify and plan for the integration of the PTE with the MCA as a consequence of the Bus Review leading to weaknesses in governance and compliance issues as the PTE operation is required to comply with the legislation governing MCA.'

A detailed risk assessment / risk register will be developed for the integration of the PTE and MCA as part of the work on an assured process with the independent partner.

3.4 Equality, Diversity and Social inclusion

None

3.5 Communications

None

3.6 Appendices/Annexes

Annex A – Detailed progress update on the MCA response to the Bus Review

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